



State of New Jersey

CHRIS CHRISTIE
Governor

DEPARTMENT OF ENVIRONMENTAL PROTECTION

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R.L. Buchanan, Jr., Ph.D
Manager, Remediation Projects
Freeport McMoran Copper & Gold Inc
333 North Central Ave
Phoenix, Arizona 85994

December 28, 2011

Re: U. S. Metals Refining Company (Amax U.S. Metals)
400 Middlesex Ave
Carteret, Middlesex County
SRP PI# 009101
Off-Site Remedial Investigation Requirement

Dear Dr. Buchanan:

Amax U.S. Metals (Amax) submitted five deed notices to the New Jersey Department of Environmental Protection (Department) on September 23, 2011. During the review process of the deed notices the Department observed residual high levels of heavy metals (including lead) in shallow depth soil samples close to the site's peripheral boundary, with some locations being in close proximity to existing residential areas. Upon further review of the remedial investigation reports that were previously submitted, it is apparent that soil contamination delineation terminated at the site boundary; therefore, delineation to the applicable soil remediation standards off-site was not completed. The Technical Requirements for Site Remediation at N.J.A.C. 7:26E-4.3(a) requires an investigation of all soils which contain contaminants above the applicable soil remediation standards regardless of the property boundary.

Paragraph 36 of the January 22, 1988 Administrative Consent Order (ACO) states that if the Department determines at any time prior to the completion of the activities required of the ACO that additional remedial investigation and/or remediation is required to protect human health or the environment, Amax shall conduct such additional activities as directed by the Department in accordance with the terms and conditions of the ACO. Therefore in accordance with Paragraph 36 of the ACO, by January 13, 2012, Amax shall

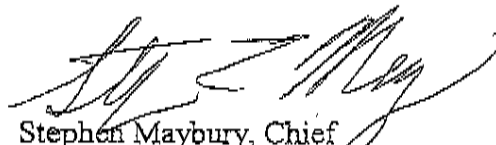
submit an expedited schedule to the Department for the completion of delineation of soil contamination outward from the property boundary to the applicable soil remediation standards and submission of a Supplemental Remedial Investigation Report. In order to expedite the delineation process, a Remedial Investigation Work Plan does not need to be submitted to the Department. The Department recommends that a New Jersey Licensed Site Remediation Professional be retained at this time to oversee all investigation and cleanup activities.

Please note that specific comments related to the deed notices for Parcels #1 through #5 will be addressed in a separate correspondence. Also, delineation of the chlorobenzene and metal ground water plumes, and the need for a baseline ecological evaluation will be addressed in separate correspondences.

Failure to submit the expedited schedule by January 13, 2012 may result in the initiation of enforcement action in accordance with the ACO. For your convenience, the regulations concerning the Department's remediation requirements can be found at <http://www.state.nj.us/dep/srp/regs/>.

If you require copies of Department Guidance Documents or applications, many of these are available on the internet at <http://www.state.nj.us/dep/srp>. If you have any questions regarding this matter contact James P. DeNoble, Case Manager, at (609)777-4101, prior to the date indicated.

Sincerely,



Stephen Maybury, Chief
Bureau of Case Management

CC: Joseph A. Brunner, Director, Discontinued Operations, Freeport-McMoRan
Anthony Filiaci, Amax Realty Development
Honorable Daniel J. Reiman, Mayor, City of Carteret
Kathy Barney, Municipal Clerk, City of Carteret
Ellen Ransdell, Health Officer, City of Carteret
David Papi, Director Middlesex County Health Dept.
Elaine Flynn, Middlesex County Clerk
George Ververides, Director, Middlesex County Planning Office
James Kealy, BEERA
Helen Dudar, BGWPA